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BY ELECTRONIC FILING

Ms. Magalie Roman Salas
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: ***Ex Parte Communication***
Establishment of Rules and Policies for the Satellite Digital Audio Radio Service in the 2310-2360 MHz Band, IB Docket No. 95-91

Dear Ms. Salas:

In this proceeding, AT&T Wireless Services, Inc. ("AWS") has submitted information and analysis related to the last-mile voice and broadband fixed wireless service it is providing using licenses for Wireless Communications Service ("WCS") spectrum. Attached is a press release issued on October 23, 2001, in which AWS announced its decision to exit the fixed wireless business over the next several months. AWS will continue to operate its WCS networks as it transitions affected customers to alternative networks.

Although this decision marks the end of the current WCS deployment, AWS will continue to hold its WCS licenses, will continue to explore innovative ways to put them to productive use, and will continue to take an active roll in this proceeding. AWS has consistently maintained that the Commission should not resolve interference issues based on the characteristics of any one system deployed by a single licensee at a given point in time, but rather must adopt rules that will continue to preserve the flexible nature of WCS spectrum. Recent events demonstrate the necessity for such an approach.

Respectfully submitted,

/s/

William M. Wiltshire
Counsel for AT&T Wireless Services, Inc.

Attachment

FOR RELEASE 10/23/2001

AT&T Wireless Services Reports Third Quarter Total Revenue Increase of 25 Percent

Redmond, WA -- AT&T Wireless (NYSE: AWE) said today that its total consolidated revenue grew to $3.502 billion for the third quarter, an increase of 25.1 percent compared to the same quarter in 2000. The company's operating income plus depreciation and amortization (EBITDA) totaled $718 million for the third quarter, an increase of 52.3 percent compared to the year-ago quarter. Total capital expenditures were $1.2 billion for the third quarter.

Services revenue for its mobility business increased 29.1 percent to $3.239 billion in the third quarter compared to $2.508 billion for the year-ago quarter. Total revenue for its mobility business increased 24.9 percent to $3.496 billion. The company also reported 748,000 net subscriber additions and strong double-digit growth in EBITDA.

"For the seventh consecutive quarter, AT&T Wireless has delivered strong growth in network coverage, customers and revenues," said AT&T Wireless Chairman and CEO John D. Zeglis. "This continues the company's rapid growth since AT&T Wireless announced plans to become a tracking stock in December of 1999. In that time, we’ve grown our consolidated coverage from a total population of 114 million to 166 million, an increase of 46 percent. With the completion of our acquisition of TeleCorp PCS next year, our consolidated covered markets will increase to 198 million. Since the end of 1999, we've increased our subscriber base by nearly 80 percent and, we've added over $1.25 billion more in quarterly services revenue. Our senior leadership team has built a strong track record, and that same team is committed to continuing to deliver growth in the quarters ahead. We have the strategy, people, resources and focus to make it happen."

The third quarter 29.1 percent increase in services revenue for the mobility business can be primarily attributed to continued subscriber growth and increased usage, partially offset by lower average revenue per user (ARPU). For full-year 2001, the company said it continues to anticipate mobility services revenue growth to be in the range of 30 - 35 percent.

Minutes of use per subscriber reached a record level of 389 average minutes per subscriber per month in the third quarter, an increase from 348 minutes in the year-ago quarter and 383 minutes in the second quarter of 2001. ARPU was $63.60, a decrease of 7.2 percent from the year-ago quarter but comparable to the $63.80 reported for the second quarter of this year. The decline from the prior year quarter was due primarily to competitive pricing and expansion into a broader base of consumer segments.

Consolidated subscriber net additions for the mobility business totaled 748,000, which was comparable to the year-ago quarter. Total consolidated subscribers were 17.1 million at the end of the third quarter, representing a 35.5 percent increase from the prior year, including subscribers associated with acquisitions that occurred subsequent to the third quarter of 2000. In the fourth quarter, the company said it expects consolidated net subscriber additions to be in the range of 900,000 - 1 million, and it continues to anticipate subscriber growth of about 20 percent for full-year 2001.

Net subscriber additions in the third quarter, including affiliates and a partnership market, totaled 960,000. At the end of the third quarter, total subscribers, including affiliates and a partnership market, were 19.7 million.

AT&T Wireless mobility EBITDA was $803 million, an increase of 53.8 percent from the comparable year-ago quarter. The EBITDA growth includes the results of acquisitions that occurred during 2000, as well as the impact of a continued focus on cost reductions. Given the strong subscriber growth, the increase was partially offset by higher customer acquisition, network, customer care and billing costs. For full-year 2001, AT&T Wireless said it continues to expect mobility EBITDA growth in the mid-60 percent range.

EBITDA margin (as a percent of services revenue) for the mobility business increased to 24.8 percent for the third quarter, a 400 basis point increase from the 20.8 percent margin for the year-ago quarter. "Thanks to a concerted effort our EBITDA margin continues to improve," said Mohan Gyani, president of AT&T Wireless' mobility services business. "Our success can be attributed to moving more minutes onto our own network and reducing off-network roaming costs. We also see benefits from the attractive roaming rates we’ve negotiated. And, just as important, we have aggressively cut unnecessary internal costs and limited discretionary spending throughout the business. We're taking every opportunity to beneficially influence margin."

Churn for the quarter was 3.1 percent, an increase from 2.9 percent in both the third quarter of 2000 and the second quarter of 2001. The increase can be primarily attributed to pre-paid churn, which represented 50 basis points. Churn relating to post-paid customers was 2.6 percent in the third quarter, a decrease from 2.8 percent in the year-ago quarter and comparable to the second quarter of 2001.

AT&T Wireless Services reported third quarter net income available to common shareowners of $77 million, an increase from the $21 million loss reported for the year-ago quarter. Earnings per diluted share (EPS) were $0.03 cents, an increase from a negative $0.01 cent for the third quarter of 2000. The increase is primarily attributable to higher EBITDA, income tax benefits recorded during the quarter, income associated with the mark-to-market adjustments on the warrants held by NTT DoCoMo, and the elimination of preferred stock dividends paid to AT&T in the prior year quarter. These increases were partially offset by an increase in depreciation and amortization expenses resulting from a larger asset base, and interest expense associated with the $6.5 billion Senior Notes offering in March 2001. EPS was calculated in accordance with generally accepted accounting principles (GAAP).

Fixed Wireless Decision

The company also announced that in the past week it decided to exit the fixed wireless business over the next several months. When AT&T Wireless became an independent company this past summer, it committed to maintaining a strong balance sheet and financial flexibility. At that time, the company said its fixed wireless business -- while not aligned with its core strategy -- had the potential to deliver value to shareowners, provided it met key financial targets going forward. In the third quarter, the fixed wireless unit did not meet its financial targets. In addition, capital markets are under increased pressure and the company determined that the fixed wireless business would require significant additional capital to gain the scale necessary for long-term success.

It is important to note, the company said, that the fixed wireless technology works and AT&T Wireless successfully built a business that provides a wireless first mile connection to customers' homes, enabling voice and broadband services.

"This is the right decision, given our strategic priorities and the additional capital our fixed wireless business would require going forward," Zeglis said. "We are committed to a phased exit that will ensure a high level of support for affected customers. We'll work closely with customers during this transition period. And, we'll offer affected employees support in finding other employment, inside or outside our company."

AT&T Wireless is in the process of finalizing its plans and anticipates taking a fourth quarter pre-tax charges of approximately $1.3 billion, associated with its exit from the fixed wireless business.

TeleCorp PCS Announcement

On October 8, AT&T Wireless announced that it would acquire TeleCorp PCS (NASDAQ: TLCP) in an all-stock transaction valued at approximately $4.7 billion. AT&T Wireless will acquire the 77 percent of the company it does not already own for AT&T Wireless common stock currently valued at approximately $2.4 billion and assume $2.1 billion in net debt and approximately $221 million in preferred securities.

The boards of directors of both companies have approved the transaction and TeleCorp PCS shareowners representing a majority of the voting power have committed to vote in favor of the acquisition.

AT&T Wireless said it will offer TeleCorp PCS shareowners 0.9 shares of AT&T Wireless common stock for each share of TeleCorp PCS common stock. AT&T Wireless, which currently owns 23 percent of TeleCorp PCS, will issue approximately 146 million additional common shares to acquire the remaining outstanding TeleCorp PCS common shares. Following the close of the acquisition, AT&T Wireless would have approximately 2.68 billion common shares outstanding. The transaction is structured to be tax-free to TeleCorp PCS shareowners.

"This move is all about achieving a great strategic fit at just the right time," Zeglis said. "With TeleCorp, we can roll out AT&T Wireless-branded services to 32 million more people across 14 states. That includes 16 of the top 100 U.S. markets, eight of the top

50 markets and more than 900,000 existing TeleCorp customers. Before long, we will be offering millions of potential new customers all of AT&T Wirelessâ€™ popular local, regional and national offers.

J.D. Power and Associates Survey

"On September 26, just as our third quarter was about to close, J.D. Power and Associates released its 2001 U.S. Wireless Industry Services Study and AT&T Wireless did exceptionally well," Gyani said. "The survey ranked AT&T Wireless highest in overall customer satisfaction in 13 of the 20 markets where we were evaluated - making us the best performer of all the national wireless carriers. We're pleased that our commitment to always put customer first is reflected in this year's survey results."

The foregoing may contain "forward-looking statements" which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management.

Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T Wireless' control, that could cause actual results to differ materially from such statements.

For a more detailed description of the factors that could cause such a difference, please see AT&T Wireless' filings with the Securities and Exchange Commission. AT&T Wireless disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.